

HANSELL & POST

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

THIRTY-THIRD FLOOR FIRST ATLANTA TOWER
ATLANTA, GEORGIA 30383-3101
TELEPHONE 404 581-8000
TELECOPIER 404 581-8330
TELEX 54-2711

56 PERIMETER CENTER EAST, N.E.
FIFTH FLOOR
ATLANTA, GEORGIA 30346-2283

1667 K STREET, N.W.
SUITE 500
WASHINGTON, D.C. 20006-1692

1 5123
RECORDATION INC. Even & Recorded

DEC 17 1986 3:15 PM

INTERSTATE COMMERCE COMMISSION

December 15, 1986

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

12/17/86
10.00
OC Washington, D.C.

Re: The CIT Group/Business Credit, Inc.
Loan to Columbia Nitrogen Corporation

Dear Secretary:

I have enclosed an original and one copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a security agreement, a primary document dated December 5, 1986.

The names and addresses of the parties to the document are as follows:

Debtor:	Columbia Nitrogen Corporation Columbia Nitrogen Drive Augusta, Georgia 30903
Secured Party:	The CIT Group/Business Credit, Inc. 5775-B Glenridge Drive, N.E. Suite 450 Atlanta, Georgia 30328

A description of the equipment covered by the document follows:

All railroad cars, railroad tank cars, rolling stock and and railroad machinery, equipment, furnishings and fixtures and all additions, substitutions and replacements thereof now or hereafter owned by Columbia Nitrogen Company, including, without limitation, those railroad cars bearing serial numbers CNCK 021001 through CNCX 021020 and CNCX 030001 through CNCX 030010, CNCX 010001 through CNCX 010064, CNCX 020001 through CNCX 020020, and all products and/or proceeds of the foregoing.

Secretary
Interstate Commerce Commission
December 15, 1986
Page 2

A fee of \$10.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Robert J. Proctor, Hansell & Post, 245 Peachtree Center Avenue, Suite 2600, Atlanta, Georgia 30303.

A short summary of the document to appear in the index follows:

Security Agreement between Columbia Nitrogen Corporation, Columbia Nitrogen Drive, Augusta, Georgia 30903 and The CIT Group/Business Credit, Inc., 5775-B Glenridge Drive, N.E., Suite 450, Atlanta, Georgia 30328 dated December 5, 1986 and covering all railroad cars, railroad tank cars, rolling stock, railroad machinery and equipment now or hereafter and by the Debtor, including railroad cars bearing serial numbers with the prefix "CNCX" and all products and/or proceeds of the foregoing.

Very truly yours,


Karen S. Gilbert

KSG/mlm

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

12/18/86

OFFICE OF THE SECRETARY

Karen S. Gilbert
Hansell & Post
33 Fl. First Atlanta Tower
Atlanta, Georgia 30383-3101

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/17/86 at 3:15pm, and assigned recordation number(s) 15123

Sincerely yours,

Norata R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:
Robert J. Proctor
Hansell & Post
245 Peachtree Center Avenue
Suite 2600
Atlanta, Georgia 30303

1 5123
RECORDATION NO. _____ Filed & Recorded

DEC 17 1986 3-1 5 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

(Railroad Equipment)

FOR \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, COLUMBIA NITROGEN CORPORATION (formerly known as CNC Corp.), a Delaware corporation (the "Company"), does hereby agree as follows:

1. GRANT OF SECURITY INTEREST. As a general and continuing collateral security for payment of all Obligations of the undersigned to THE CIT GROUP/BUSINESS CREDIT, INC. ("CITBC"), including specifically, but without limitation, the "Financing Agreement" (as hereinafter defined) and the Promissory Notes (hereinafter collectively called "Obligations"), the Company hereby grants to CITBC a security interest in and security title to all property of the types hereinafter described in Paragraph 3 hereof of which the Company is now or may hereafter become the owner and the Company makes such further agreements with CITBC in regard thereto as hereinafter set forth.

2. DEFINITIONS. Unless otherwise defined, capitalized terms used herein shall have the meaning attributable thereto in the "Financing Agreement" (as that term is hereinafter defined). In addition, the following terms shall have the meanings set forth below, unless the context requires otherwise:

.01 "Act" means the Uniform Commercial Code of the Official Code of Georgia Annotated, Title 11, and any act that may be substituted therefor, as from time to time amended;

.02 "Collateral" means and includes all of the property described in Paragraph 3 hereof, whether now owned or hereafter acquired by the Company, wherever located, and whether tangible or otherwise;

.03 "Financing Agreement" means that certain Financing Agreement between the Company and CITBC dated November 5, 1986 as amended or modified from time to time.

.04 "Agreement" shall mean this Agreement, together with all exhibits, riders, supplements, addenda and additions now or hereafter attached hereto or made a part hereof, and all amendments hereof.

3. DESCRIPTION OF PROPERTY.

.01 Equipment. All railroad cars, railroad tank cars, rolling stock and railroad machinery, equipment, furnishings and fixtures, and all additions, substitutions and replacements thereof now or hereafter owned by the Company, including, without limitation, those railroad cars more specifically described on Exhibit "A" attached hereto and by this reference incorporated herein (hereinafter, sometimes collectively referred to as the "Equipment").

.02 Proceeds. All proceeds and products of the foregoing, including, without limitation, insurance proceeds.

4. OWNERSHIP OF COLLATERAL. The Company represents and warrants to CITBC that, except for the security interest created hereby, the Company is, or, with respect to Collateral acquired after the date hereof, will be the owner of the Collateral.

5. LIENS. The Company shall keep the Collateral free and clear of all taxes, assessments, claims, liens, mortgages, security interests and encumbrances except for liens for taxes and assessments not due and shall promptly notify CITBC of any material loss of or damage to the Collateral or any part thereof.

6. USE OF COLLATERAL. Until there occurs an Event of Default, as hereinafter defined, the Company may, subject to the provisions of Paragraph 7 hereof, use the Collateral in any lawful manner not inconsistent with this Agreement or with the terms or conditions of any policy of insurance thereon. The Company agrees at its own cost and expense to keep the Equipment in as good and substantial repair and condition as the same is now, or at the time the lien and security interest granted herein shall attach thereto, reasonable wear and tear excepted, making any and all repairs and replacements when and where necessary. The Company also agrees to safeguard, protect and hold all Equipment for CITBC's account and make no disposition thereof unless the Company first obtains the prior written approval of CITBC. Any sale, exchange or other disposition of any Equipment shall only be made by the Company with the prior written approval of CITBC, and the proceeds of any such sales shall not be commingled with the Company's other property, but shall be segregated, held by the Company in trust for CITBC as CITBC's exclusive property, and shall be delivered immediately by the Company to CITBC in the identical form received by the Company. Upon the sale, exchange, or other disposition of the Equipment,

as herein provided, the security interest provided for herein shall, without break in continuity and without further formality or act, continue in, and attach to, all proceeds, including any instruments for the payment of money, accounts receivable, contract rights, documents of title, shipping documents, chattel paper and all other cash and non-cash proceeds of such sales, exchange or disposition. As to any such sale, exchange or other disposition, CITBC shall have all of the rights of an unpaid seller, including stopping in transit, replevin, rescission and reclamation.

7. INFORMATION AND INSPECTION. The Company shall from time to time forthwith on request furnish to CITBC in writing all information requested relating to the Collateral or any part thereof, and CITBC shall be entitled from time to time to inspect the tangible Collateral, wherever located, including, without limitation, the books and records relating thereto, and for such purpose CITBC shall have access to all places where the Collateral or any part thereof is located and to all premises occupied by the Company.

8. DEFAULT.

.01 Event of Default. Each of the following shall constitute an "Event of Default" hereunder (and all of the same, taken together, shall constitute "Events of Default" hereunder): (i) the occurrence of any "Event of Default" as that term is defined in the Financing Agreement; (ii) any representations or warranties made by the Company hereunder or in any certificate, financial report or other statement furnished at any time in connection herewith prove to have been untrue or misleading in any material respect when made or furnished; or (iii) default by the Company in the observance or performance of any covenant or agreement contained herein.

.02 Remedies. Upon the occurrence or existence of any Event of Default, or at any time thereafter (such default not having been previously cured within the time period, if any, provided by CITBC therefor), CITBC shall have all of the rights and remedies described in Sections 8.03 through 8.07 inclusive, and it may exercise any one, more, or all of such remedies, in its sole discretion, without thereby waiving any of the others.

.03 General Remedies of a Secured Party. CITBC shall have all the rights and remedies of a "secured party" under the Act (regardless of whether the Act has been enacted in the jurisdiction where the rights or remedies are asserted, including, without limitation, the right to take possession of any of the Collateral or the proceeds thereof by such means (without breach of the peace) and through agents or otherwise as it may elect, the right to sell, lease, or otherwise dispose of the

Collateral or any portion thereof, the right to apply the proceeds derived therefrom to any and all of the Obligations secured thereby in such order as CITBC may elect, and, for this purpose, the right to sign in the name of the Company any transfer, conveyance, or instrument necessary in the premises. Any such disposition of the Collateral may be in its then condition or following any commercially reasonable preparation or processing thereof, by public or private proceedings, by one or more contracts, as a unit or in parcels, at any time or place and on any terms, so long as the same are commercially reasonable.

.04 Notice of Disposition. CITBC shall give the Company written notice of the time and place of any public sale of the Collateral or the time after which any other intended disposition thereof is to be made. The requirement of sending reasonable notice shall be met upon receipt, inability to deliver because of changed address of which no notice was given or refusal to receive, of a written notice mailed postage prepaid, certified mail, return receipt requested to the Company at its last address as shown on CITBC's records, or otherwise received by the Company, at least ten (10) days before such disposition.

.05 Receiver. In addition to the foregoing, CITBC may appoint any person to be a receiver (which term shall include a receiver and manager) of the Collateral, including, without limitation, any rents and profits thereof and may remove any receiver and appoint another in its (his) stead, and such receiver so appointed shall have power to take possession of the Collateral and to carry on or concur in carrying on the business of the Company, and to dispose of or concur in the disposition of the Collateral or any part thereof in the manner described hereinabove. Any such receiver shall for all purposes be deemed to be the agent of the Company. CITBC may from time to time fix the remuneration of such receiver. CITBC in appointing or refraining from appointment such receiver shall not incur any liability to the receiver, the Company or otherwise.

.06 Assemblage. In facilitation of the foregoing, CITBC may require that the Company assemble and make available all of or any portion of the Collateral at a location designated by CITBC, all at the expense of the Company.

.07 Application of Proceeds. All moneys from time to time received by CITBC from the disposition of Collateral shall be applied by CITBC in the following manner: first, in discharge of all reasonable expenses of re-taking, holding, preserving, preparing for sale or lease, selling, leasing, and the like of the Collateral including, without limitation, fees and expenses of any receivers and attorneys, insurance premiums, tax payments and the like; secondly, to accrued interest on the Obligations in

such order as CITBC may elect; thirdly, to the principal balances of any such Obligations then outstanding in such order as CITBC may elect; lastly, to the Company, any residue.

9. FURTHER ASSURANCES. The Company shall from time to time forthwith on CITBC's request do, make, and execute or cause to be executed such financing statements, certificates of title, landlord's and mortgagee's waivers, estoppel certificates, further assignments, documents, acts, matters and things as may be required by CITBC of or with respect to the Collateral or any part thereof or as may be required to give effect to these presents, and the Company hereby constitutes and appoints CITBC as the true and lawful attorney of the Company during the term hereof with full power of substitution to do, make, and execute all such statements, assignments, documents, acts, matters, or things with the right to use the name of the Company whenever and wherever it may be deemed necessary or expedient.

10. DEALINGS BY CITBC. CITBC may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Company, debtors of the Company, sureties and others and with the Collateral and other securities as CITBC may see fit without prejudice to the liability of the Company or CITBC's right to hold and realize upon this security.

11. GENERAL.

.01 Governing Laws. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Georgia.

.02 Non-exclusivity of Remedies. No remedy for the enforcement of the rights of CITBC hereunder shall be exclusive of or dependent on any other such remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

.03 Restatement of Coverage. For greater certainty it is declared that any and all future loans, advances, or other value which CITBC may in its discretion make or extend to or for the account of the Company shall be secured by this Agreement.

.04 Waiver. Each and every right granted to CITBC under this Agreement, under any document delivered hereunder or in connection herewith, under any other document, instrument, or agreement now or hereafter executed in favor of CITBC, or allowed to CITBC by law or in equity, shall be cumulative and may be exercised from time to time by CITBC in its sole discretion. No failure on the part of CITBC to exercise, and no delay in exercising, any right shall operate as a waiver thereof, nor

shall any single or partial exercise by CITBC of any right preclude any other or future exercise thereof or the exercise of any other right. No waiver by CITBC of any Event of Default hereunder shall constitute a waiver of any subsequent Event of Default.

.05 Counterparts. This Agreement may be executed in two or more counterparts, each of which when fully executed shall be an original, and all of said counterparts taken together shall be deemed to constitute one and the same agreement.

.06 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

.07 Severability. If any provision hereof or the application thereof to any party hereto shall be invalid or unenforceable to any extent, the remainder hereof and the application of such provisions to any other party hereto or circumstance shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

.08 Entire Agreement - Amendment. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof. Neither this Agreement nor any provision hereof may be changed, waived, discharged, modified, or terminated orally, but only by an instrument in writing signed by the party against whom enforcement is sought.

.09 Reimbursement. If any taxes, fees or other costs shall be payable on account of the execution, issuance, delivery, or recording of this Agreement or any financing statements, certificates, documents or instruments executed in connection herewith, by reason of any existing or hereafter enacted federal, state, or provincial statute, the Company will pay all such taxes, fees or other costs, including any applicable interest and penalty, and will indemnify and hold CITBC harmless from and against liability in connection therewith.

.10 Interpretation. No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or dictated such provision.

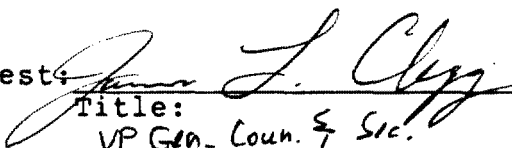
.11 Principal Place of Business. The principal place of business and chief executive office of the Company is located at Columbia Nitrogen Drive, Augusta, Richmond County, Georgia 30903.

IN WITNESS WHEREOF, the Company has executed this Agreement and affixed its seal thereto, this 5th day of December, 1986.

"COMPANY"

COLUMBIA NITROGEN CORPORATION,
(formerly known as CNC Corp.)
a Delaware corporation

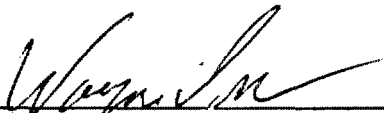
By: 
Title: VP Finance

Attest: 
Title: VP, Gen. Coun. & Sec.

ACCEPTED, this 5th day of
December, 1986.

"CITBC"

THE CIT GROUP/BUSINESS
CREDIT, INC.

By: 
Title: Vice-President

ACKNOWLEDGEMENT

STATE OF GEORGIA

COUNTY OF FULTON

On this 5th day of December, 1986 before me personally appeared, RICK A. EWERT, to me personally known, who being by me duly sworn, says that he is the vice president of Columbia Nitrogen Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

Commission Expiration Date:

Notary Public, Georgia, State at Large
My Commission Expires Nov. 25, 1989

Notarization Date: 12/5/86

[NOTARIAL SEAL]

ACKNOWLEDGEMENT

STATE OF GEORGIA

COUNTY OF FULTON

On this 5th day of December, 1986 before me personally appeared, WAYNE DERR, to me personally known, who being by me duly sworn, says that he is the vice president of The CIT Group/Business Credit, Inc., that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

Commission Expiration Date:

Notary Public, Georgia, State at Large
My Commission Expires Nov. 25, 1989

Notarization Date: 12/5/86

[NOTARIAL SEAL]

EXHIBIT "A"

CNCX010001
- CNCX010002 -
CNCX010003
CNCX010004
- CNCX010005 -
CNCX010006
CNCX010007
- CNCX010008 -
CNCX010009
CNCX010010
CNCX010011
CNCX010012
CNCX010013
CNCX010014
CNCX010015
CNCX010016
- CNCX010017 -
CNCX010018
CNCX010019
CNCX010020
CNCX010022
CNCX010023
CNCX010024
CNCX010025
CNCX010026
- CNCX010027 -
CNCX010028
CNCX010029
CNCX010030 -
CNCX010031
CNCX010032

CNCX010033
CNCX010034
CNCX010035
CNCX010036
CNCX010037
CNCX010038
CNCX010039
CNCX010040
CNCX010041
CNCX010042
CNCX010044
CNCX010045
CNCX010046
CNCX010047
CNCX010048
CNCX010050

CNCX010051
CNCX010052
CNCX010053
CNCX010054
CNCX010055
- CNCX010056 -
CNCX010057
CNCX010058
CNCX010059
CNCX010060
CNCX010061
CNCX010062
CNCX010063
CNCX010064
CNCX020001
CNCX020002
CNCX020003
CNCX020004
CNCX020005
CNCX020006

CNCX020007
CNCX020008
CNCX020009
CNCX020010
CNCX020011
CNCX020012
CNCX020013
CNCX020014
CNCX020015
CNCX020016
CNCX020017
CNCX020018
CNCX020019
CNCX020020
CNCX021001
CNCX021002
CNCX021003
CNCX021004
CNCX021005
CNCX021006
CNCX021007
CNCX021008
CNCX021009
CNCX021010
CNCX021011
CNCX021012

CNCX021013
CNCX021014
CNCX021015
CNCX021016
CNCX021017
CNCX021018
CNCX021019
CNCX021020
CNCX030001
CNCX030002

CNCX030003
CNCX030005
CNCX030007
CNCX030008
CNCX030009
CNCX030010
CNCX030004
CNCX030006